

10 CSR 10-6.366 Clean Air Interstate Rule SO2 Trading Program.

(1) Applicability.

(A) The following units in a State shall be CAIR SO₂ units, and any source that includes one or more such units shall be a CAIR SO₂ source, subject to the requirements of this rule:

1. Except as provided in subsections (B) and (C) of this section, a stationary, fossil-fuel-fired boiler or stationary, fossil-fuel-fired combustion turbine serving at any time, since the start-up of the unit's combustion chamber, a generator with nameplate capacity of more than 25 MWe producing electricity for sale.
2. For a unit that qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity and continues to qualify as a cogeneration unit, a cogeneration unit serving at any time a generator with nameplate capacity of more than 25 MWe and supplying in any calendar year more than one-third of the unit's potential electric output capacity or 219,000 MWh, whichever is greater, to any utility power distribution system for sale. If a unit qualifies as a cogeneration unit during the 12-month period starting on the date the unit first produces electricity but subsequently no longer qualifies as a cogeneration unit, the unit shall be subject to subsection (A) of this section starting on the day on which the unit first no longer qualifies as a cogeneration unit.

(B) Exemptions

1. Any unit under subsection (1)(A) of this rule and not subject to the federal Acid Rain program, which demonstrates, using the emission estimation methods outlined in subsection (4)(C) of this rule, that the unit's mass NO_x emissions are fifty (50) tons or less during the control period is exempt from the requirements of this rule.
2. The provisions of this rule shall not apply to any emergency standby generator, internal combustion engine and peaking combustion turbine unit demonstrated to operate less than seven hundred (700) hours per control period averaged over the three (3) most recent years of operation, which have installed and maintain in proper operation a nonresettable engine hour meter.
3. Loss of Exemption. If the exemption limit in paragraph 1. or 2. of this subsection is exceeded, the exemption shall not apply and the owner or operator must notify the administrator or designee within thirty (30) days. If the owner or operator can demonstrate to the administrator or designee that the exemption limit was exceeded due to emergency operations or uncontrollable circumstances, the exemption in paragraph 1. or 2. of this subsection shall apply.

(C) Retired unit exemption.

1. General Provisions.
 - A. Any CAIR SO₂ unit that is permanently retired and is not a CAIR SO₂ opt-in unit under subpart III as incorporated by reference in section (3) of this rule shall be exempt from the CAIR SO₂

Trading Program, except for the provisions of this section, § 96.202, § 96.203, § 96.204, § 96.206(c)(4) through (8), § 96.207, and subparts BBB, FFF, and GGG as incorporated by reference in sections (2), (3), and (4) of this rule.

- B. The exemption under subparagraph A. of this paragraph shall become effective the day on which the CAIR SO₂ unit is permanently retired. Within 30 days of the unit's permanent retirement, the CAIR designated representative shall submit a statement to the permitting authority otherwise responsible for administering any CAIR permit for the unit and shall submit a copy of the statement to the Administrator. The statement shall state, in a format prescribed by the permitting authority, that the unit was permanently retired on a specific date and will comply with the requirements of paragraph 2. of this subsection.
- C. After receipt of the statement under subparagraph B of this paragraph, the permitting authority will amend any permit under subpart CCC of this part covering the source at which the unit is located to add the provisions and requirements of the exemption under subparagraph A. of this paragraph and paragraph 2. of this subsection.

2. Special provisions.

- A. A unit exempt under paragraph 1. of this subsection shall not emit any sulfur dioxide, starting on the date that the exemption takes effect.
- B. For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under paragraph 1. of this subsection shall retain, at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the permitting authority or the Administrator. The owners and operators bear the burden of proof that the unit is permanently retired.
- C. The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under paragraph 1. of this subsection shall comply with the requirements of the CAIR SO₂ Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.
- D. A unit exempt under paragraph 1. of this subsection and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR permit application under § 96.222 as incorporated by reference in section (3) of this rule for the unit not less than 18 months (or such lesser time provided by the permitting

authority) before the later of January 1, 2010 or the date on which the unit resumes operation.

- E. On the earlier of the following dates, a unit exempt under paragraph 1. of this subsection shall lose its exemption:
 - 1. The date on which the CAIR designated representative submits a CAIR permit application for the unit under subparagraph D. of this paragraph;
 - 2. The date on which the CAIR designated representative is required under subparagraph D. of this paragraph to submit a CAIR permit application for the unit; or
 - 3. The date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR permit application for the unit.
- F. For the purpose of applying monitoring, reporting, and recordkeeping requirements under subpart HHH as incorporated by reference in section (4) of this rule, a unit that loses its exemption under paragraph 1. of this subsection shall be treated as a unit that commences operation and commercial operation on the first date on which the unit resumes operation.

(2) Definitions.

- (A) Definitions for key words and phrases used in this rule may be found in subsections 40 CFR 96.202 and 96.203 of 40 CFR 96 Subpart AAA promulgated as of July 1, 2005 are hereby incorporated by reference in this rule, as published by the Office of the Federal Register, U.S. National Archives and Records, 700 Pennsylvania Avenue NW, Washington, D.C. 20408. This rule does not incorporate any subsequent amendments or additions.
- (B) Definitions of certain terms in this rule, other than those specified in this rule, may be found in 10 CSR 10-6.020.

(3) General Provisions. All of the subsections, unless otherwise noted in this section, of 40 CFR 96 Subparts BBB, CCC, DDD, FFF, GGG, and III promulgated as of July 1, 2005 are hereby incorporated by reference in this rule, as published by the Office of the Federal Register, U.S. National Archives and Records, 700 Pennsylvania Avenue NW, Washington, D.C. 20408. This rule does not incorporate any subsequent amendments or additions.

(4) Reporting and Record Keeping.

- (A) All of the subsections, unless otherwise noted in this section, of 40 CFR 96 Subpart HHH promulgated as of July 1, 2005 are hereby incorporated by reference in this rule, as published by the Office of the Federal Register, U.S. National Archives and Records, 700 Pennsylvania Avenue NW, Washington, D.C. 20408. This rule does not incorporate any subsequent amendments or additions.
- (B) Each owner or operator of any gas- or oil-fired unit that qualifies for the low-emitter or the low hours of operation exemption in subsections subsection (1)(B)

of this rule, shall maintain records of the total operating hours during which fuel is consumed for each emission unit during the control period. In the event that another record keeping schedule has been previously approved for the EGU and is included as an operating permit condition, the EGU may use that schedule to comply with this requirement.

(C) Exempt Units.

1. The following hierarchy of methods may be used to determine if a unit qualifies for the low-emitter exemption in subsection (1)(B) of this rule. If data is not available for an emission estimation method or an emission estimation method is impractical for a source, then the subsequent emission estimation method should be used in its place:
 - A. CEMS;
 - B. Stack tests;
 - C. Material/mass balance;
 - D. AP-42 (Environmental Protection Agency (EPA) Compilation of Emission Factors)
 - E. FIRE (Factor Information and Retrieval System) (as updated);
 - F. Other EPA documented test methods;
 - G. Sound engineering calculations; or
 - H. Facilities shall obtain the administrator's pre-approval of emission estimation methods other than those listed above.
2. In the event that such method has previously been approved for the EGU and included as an operating permit condition, the EGU may use that method to comply with this requirement.
3. Any gas- or oil-fired unit that qualifies for the low-emitter exemption in subsection (1)(B) of this rule or the low hours of operation exemption in paragraph subsections (1)(B) shall install and operate a non-resettable hour meter or determine the hours of operation for each emission unit during the control period. In the event that another monitoring method has previously been approved for the EGU and included as an operating permit condition, the EGU may use that method to comply with this requirement.

(5) Test Methods. *(Not Applicable)*